



OREGON
HEALTH
AUTHORITY

January 14, 2026

Behavioral Health Directed Payments & CCO Rates

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Agenda

- History of directed payments – 2023-2025
- Changes to the program for 2026
- Coordinated Care Organization responsibilities
- CY2026 CCO Capitation Rates & BH Trends

History of Primarily Medicaid Directed Payment

Supporting Reimbursement Increases Across the CCO Network (2023–2025)

- Launched in 2023 to strengthen provider reimbursement in the CCO network
- Intended to reinforce and formalize higher payment levels in CCO network along with Open Card (many CCOs were paying above Open Card rates)
- Open Card rates were retroactively increased by an average of 30% in July 2022

Tiered Payment Model (2023–2024):

- 30% increase for providers with $\geq 50\%$ BH revenue from OHP (Primarily Medicaid)
- 15% increase for providers with $< 50\%$ BH revenue from OHP

Tiered Payment Model 2025 Update: Continued differential for “Primarily Medicaid” providers at a minimum payment that was greater of:

- 110% of OHP BH fee schedule, or
- 2024 contracted rate + inflation factor

What's Changing – 2025 versus 2026

2025	2026
<p>Primarily Medicaid (over 50% of service revenue)</p> <p>OHA required CCOs to pay at least 110% of the OHP open card reimbursement rate to most BH providers serving OHP members if their service revenue from Medicaid was over 50% the previous year.</p>	<p>Team-based Care</p> <p>Beginning in 2026, the eligibility for the 110% minimum will be focused on providers offering team-based care in the CCO network and meeting the over 50% Medicaid service revenue threshold the previous year.</p>
<p><i>Culturally and Linguistically Specific (CLS) and Integrated Co-occurring Disorder (ICOD) SDPs are experiencing No Changes</i></p>	

What's changing is how directed payment protections are structured and who qualifies for the rate minimum requirement if providers are contracting with a CCO

Eligibility for Team-Based Care BH Providers

For 2026, to qualify as a Team-Based High Acuity Medicaid Provider, a CCO network Medicaid BH provider must meet one of the following:

CMHP	Non-CMHP
<p>Be a Community Mental Health Program offering one or more of the following:</p> <ul style="list-style-type: none">• Assertive Community Treatment,• Early Assessment and Support Alliance, or• Intensive In-Home Behavioral Health Treatment	<p>Be a Team-based Care BH provider that meets all the following:</p> <ol style="list-style-type: none">1. Hold a Current Certificate of Approval from OHA2. Derive at least 50% of annual BH revenue from services to OHP members (previous year)3. Provide integrated, team-based care that includes the following, as clinically indicated:<ul style="list-style-type: none">▪ Psychiatric Services and/or Addiction Medicine Services (on-staff or contracted)▪ Peer-Delivered Services (CRM, PWS, PSS) (on-staff or contracted)▪ Case Management Services▪ Individual, Group, and Family Therapy – community based as needed

CCO Responsibilities

CCOs are responsible for negotiating with providers to build an adequate network:

- Network Adequacy Requirements: CCOs must ensure timely and geographically reasonable access to behavioral health services.

This includes:

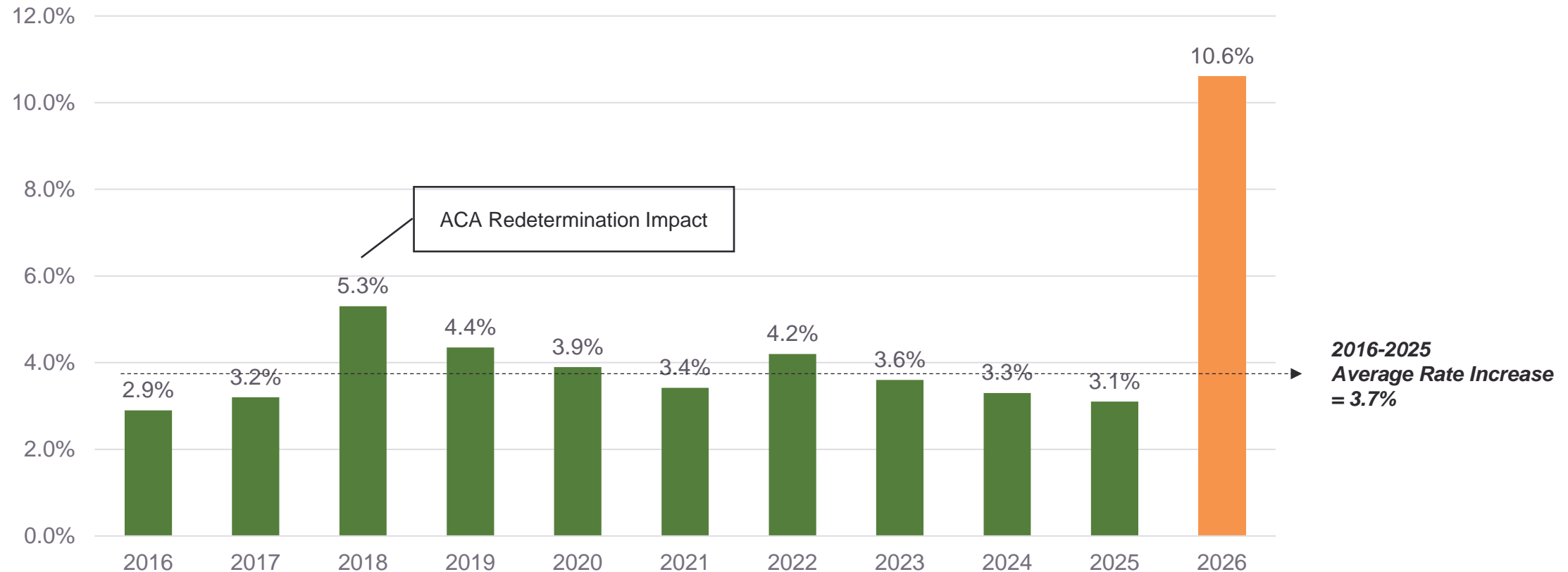
- Meeting time and distance standards based on member location and provider type.
- Submitting network adequacy reports to OHA demonstrating compliance with access standards.
- Ensuring access to integrated and coordinated care, including primary care and behavioral health services.
- Ensuring access to required programs such as ACT, IIBHT, Supported Employment, crisis services



CY2026 CCO Capitation Rates & BH Trends

Oregon Medicaid Capitation Rates Over The Years

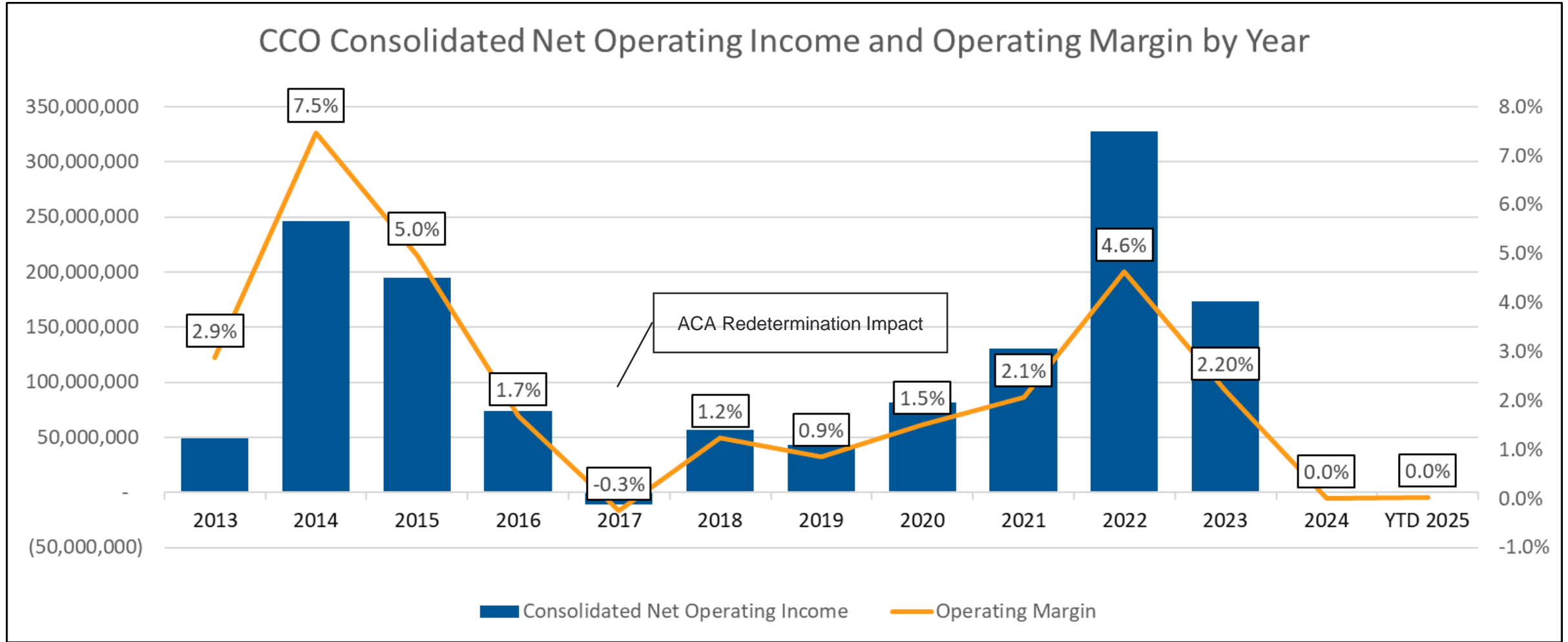
Annualized growth rate has been consistent at a statewide level, with the exception of 2018 and 2026



- The year over year rate increases for Oregon Medicaid's capitation rates has stayed consistent around the 3.4% budget target. 2018's YoY rate increase was due to the ACA redetermination; some other years were impacted by Legislatively-funded benefit improvements. 2026's projected rate increase of 10.6% is well beyond historical levels.
- Chart is in total funds; however, state fund increases targeted 3.4% in most years resulting in slightly different total fund impacts.

CCO Program Financial Performance

After ACA/PHE redetermination efforts, CCOs have seen dips in profits across the program. In 2024/2025, reduced membership was also accompanied by a surge in utilization in behavioral health.

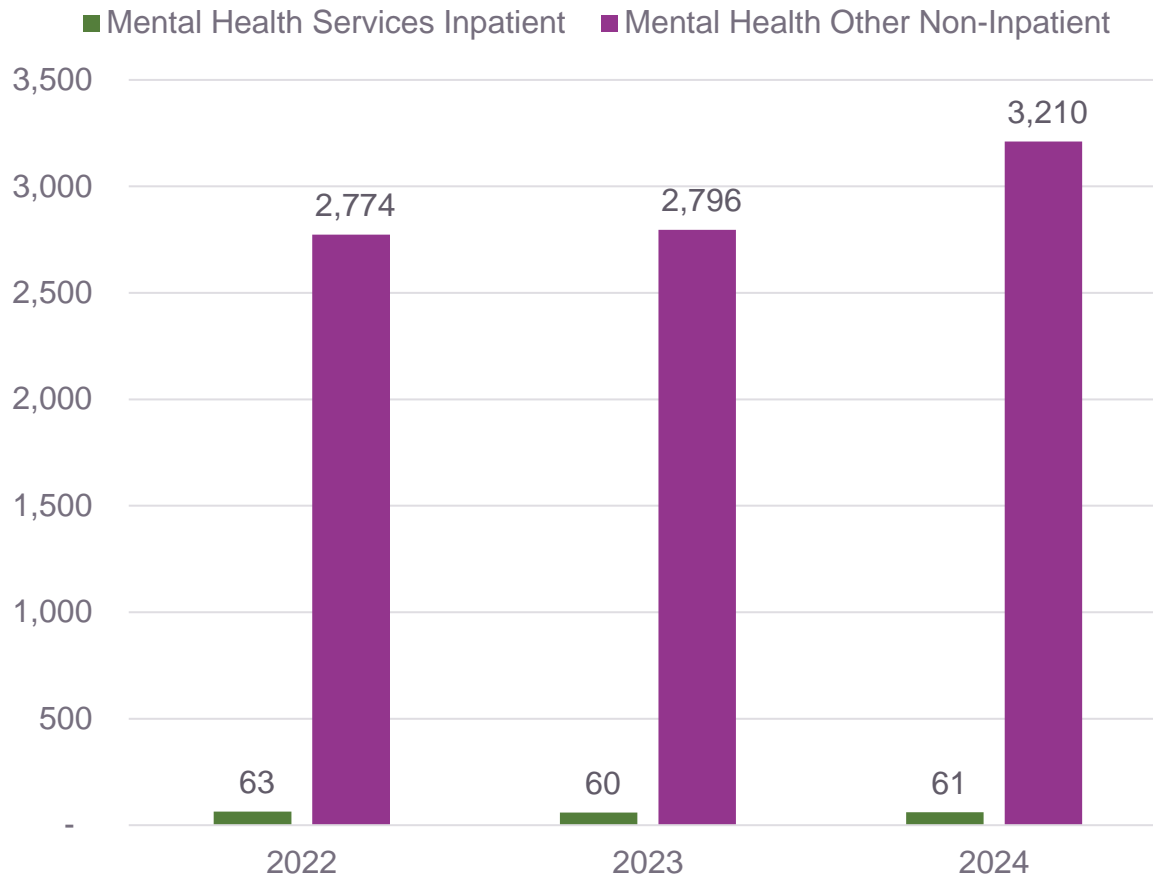


<https://www.oregon.gov/oha/FOD/Documents/Q4%202024%20Public%20Brief.pdf>

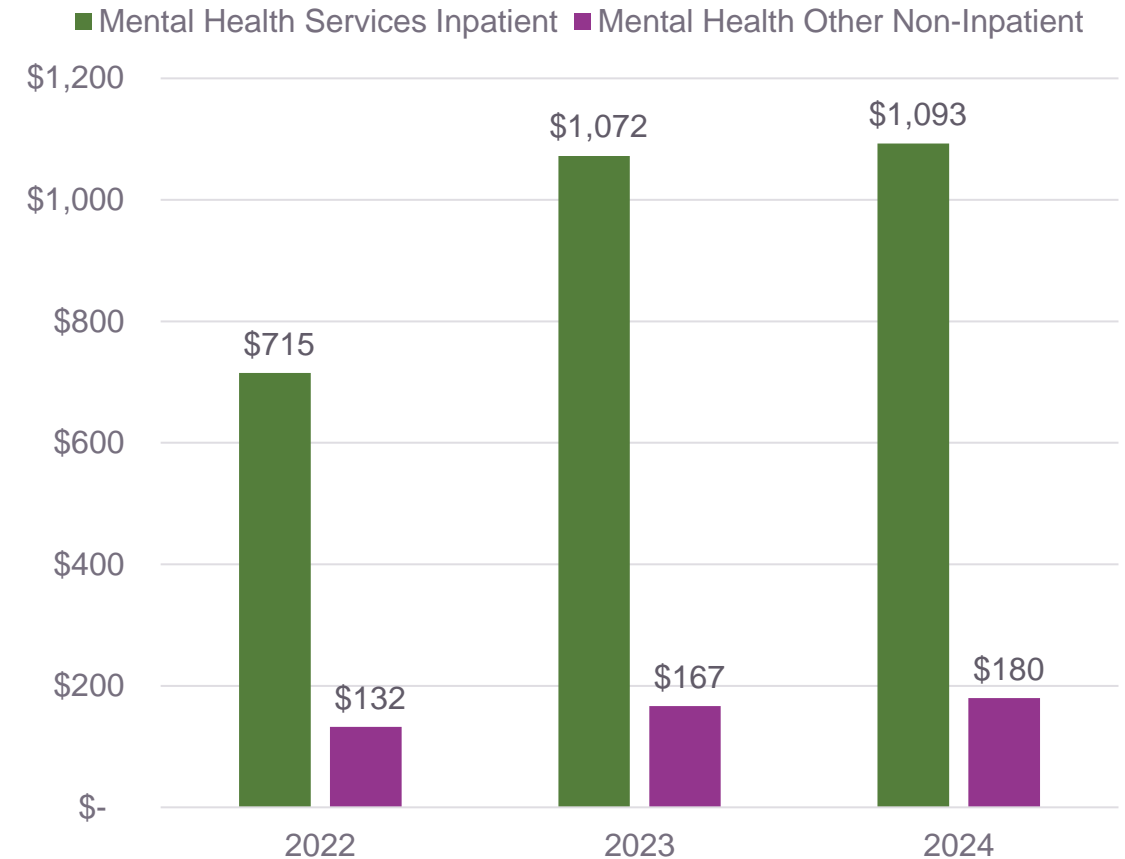
Behavioral Health Utilization and Unit Cost

BH growth was significant with implementation of the directed payment in 2023, and utilization growth occurred in 2024 at a high rate

Statewide Base Data BH Utilization Per 1000



Statewide Base Data BH Unit Cost

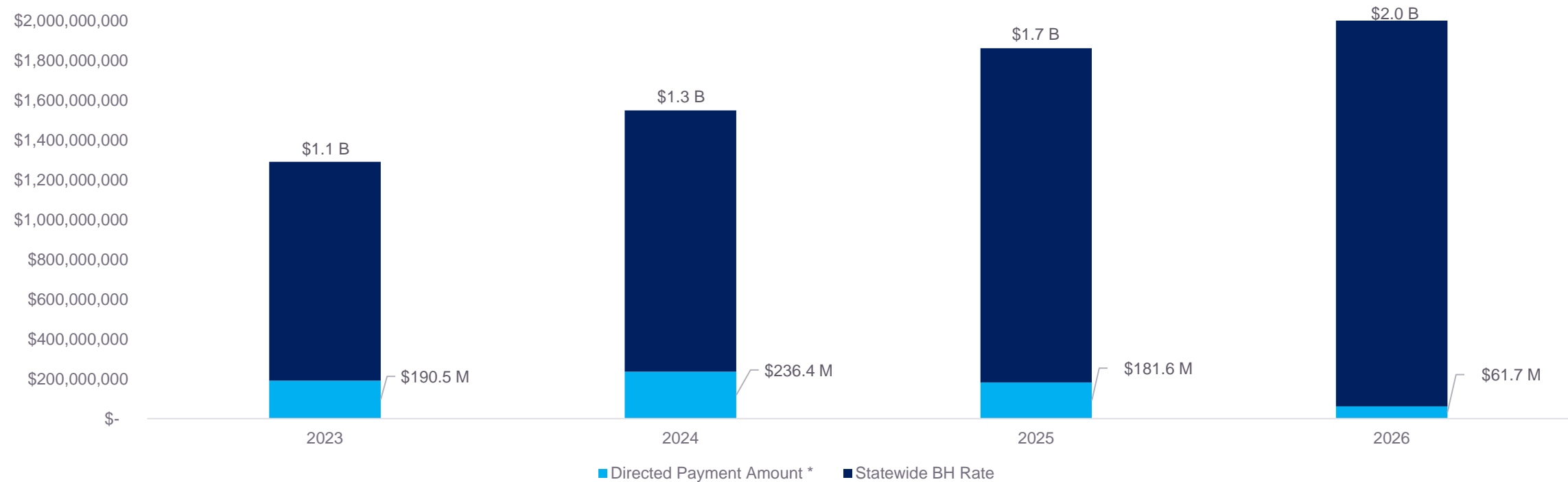


Federal Landscape – Medicaid Directed Payments

- Under the 2025 budget reconciliation law (HR1), CMS is tightening oversight of directed payments, prompting states to adapt:
 - **Stricter CMS review:** More documentation required and stricter reviews
 - **Approval delays:** Longer timelines across states, including Oregon
 - **Shift in strategy:** CMS has encouraged states to use other levers and give more flexibility to managed care to negotiate provider rates
 - **New federal caps:** Some SDPs now limited to 100% of Medicare

All states, including Oregon, have experienced delays in directed payment pre-print/application approvals from CMS.

Directed Payment Changes vs. BH Rate Increases



Note:

* 2023 and 2024 DP amounts represent reported financials as collected in the 2023 and 2024 Q4 Exhibit L, Report L6.91.
2025 and 2026 DP amounts are impact estimates.

Thank you

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